

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

South Greenfield Post Office  
South Greenfield, Missouri

Docket No. A2012-82

ORDER AFFIRMING DETERMINATION

(Issued February 29, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On November 28, 2011, Kitty Ayres (Petitioner) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the South Greenfield, Missouri post office (South Greenfield post office).<sup>2</sup> The Final Determination to close the South Greenfield post office is affirmed.<sup>3</sup>

## II. PROCEDURAL HISTORY

On December 8, 2011, the Commission established Docket No. A2012-82 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>4</sup>

On December 13, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>5</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>6</sup>

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<sup>2</sup> Petition for Review received from Kitty Ayers regarding the South Greenfield, Missouri post office 65752, November 28, 2011 (Petition).

<sup>3</sup> The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

<sup>4</sup> Order No. 1031, Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 8, 2011.

<sup>5</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing, December 13, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the South Greenfield, MO Post Office and Establish Service by Rural Route Service (Final Determination).

<sup>6</sup> United States Postal Service Comments Regarding Appeal, January 23, 2012 (Postal Service Comments).

Petitioner filed a participant statement supporting her Petition.<sup>7</sup> On February 6, 2012, the Public Representative filed comments.<sup>8</sup>

### III. BACKGROUND

The South Greenfield post office provides retail postal services and service to 53 post office boxes and 2 general delivery customers. Final Determination at 2. No delivery customers are served through this post office. The South Greenfield post office, an EAS-55 level facility, provides retail service from 8:00 a.m. to 3:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday. Lobby access hours are 24 hours daily, Monday through Saturday. *Id.*

The postmaster position became vacant on October 10, 2008 when the South Greenfield postmaster resigned. A non-career officer-in-charge (OIC) was installed to operate the post office. *Id.* at 2, 9. Retail transactions average 44 transactions daily (47 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$11,305 in FY 2008; \$10,718 in FY 2009; and \$10,072 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$15,486 annually. *Id.* at 9.

After the closure, retail services will be provided by the Lockwood post office located approximately 7 miles away.<sup>9</sup> *Id.* at 2. Delivery service will be provided by rural carrier through the Lockwood post office. The Lockwood post office is an EAS-16 level post office, with retail hours of 8:30 a.m. to 4:00 p.m., Monday through Friday, and 9:00 a.m. to 10:00 a.m. on Saturday. There are 141 post office boxes available. Retail services will also be available at the Greenfield post office located approximately

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<sup>7</sup> Participant Statement received from Kitty Ayers, January 4, 2012 (Participant Statement)

<sup>8</sup> Comments of the Public Representative, February 6, 2012 (PR Comments).

<sup>9</sup> MapQuest estimates the driving distance between the South Greenfield and Lockwood post offices to be approximately 8.54 miles (13 minutes driving time).

3 miles away.<sup>10</sup> The Greenfield post office is an EAS-16 level post office, with retail hours of 8:15 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 10:30 a.m. on Saturday. There are 87 post office boxes available at the Greenfield post office. *Id.* The Postal Service will continue to use the South Greenfield name and ZIP Code. *Id.* at 8, Concern No. 5.

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner opposes the closure of the South Greenfield post office. Petitioner states it would be difficult for elderly residents to travel to the other post offices and the cost of installing a roadside mailbox will be difficult for families living on fixed incomes. Petition at 1; Participant Statement at 1. Petitioner also questions the Postal Service's decision to have delivery service emanate from the Lockwood post office instead of the closer Greenfield post office. Petition at 1; Participant Statement at 2.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the South Greenfield post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the South Greenfield community; and (3) the economic savings expected to result from discontinuing the South Greenfield post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the South Greenfield post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the South Greenfield post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low and declining office revenue;

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<sup>10</sup> MapQuest estimates the driving distance between the South Greenfield and Greenfield post offices to be approximately 4.54 miles (9 minutes driving time).

- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little expected population, residential, commercial or business growth in the area;
- minimal impact on the community; and
- expected financial savings.

*Id.* at 4-5. The Postal Service contends that it will continue to provide regular and effective postal services to the South Greenfield community when the Final Determination is implemented. *Id.* at 5.

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, the effect on the South Greenfield community, economic savings, and the effect on postal employees. *Id.* at 5-11.

*Public Representative.* The Public Representative believes the closing of the South Greenfield post office will have minimal effect on the community. PR Comments at 2-4. The Public Representative also concludes that the Postal Service will provide regular and efficient retail and delivery services to the South Greenfield community after closing the South Greenfield post office. *Id.* at 4. However, the Public Representative argues that the Postal Service's economic savings from the closure are inflated and, thus, the Public Representative recommends the case be remanded. *Id.* at 4-5.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by

substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 23, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the South Greenfield post office. Final Determination at 2. A total of 210 questionnaires were distributed to customers. Other questionnaires were made available at the retail counter. A total of 61 questionnaires were returned. On June 20, 2011, the Postal Service held a community meeting at the First Baptist Church to address customer concerns. Thirty (30) customers attended. *Id.*

The Postal Service posted the proposal to close the South Greenfield post office with an invitation for comments at the South Greenfield, Greenfield, and Lockwood post offices from July 14, 2011 through September 14, 2011. Final Determination at 2. The Final Determination was posted at the same three post offices from October 13, 2011 through November 14, 2011. Administrative Record, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

## B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* South Greenfield, Missouri is an incorporated community located in Dade County, Missouri.<sup>11</sup> Administrative Record, Item No. 16. The community is administered politically by the South Greenfield City Council. Police protection is provided by the Dade County Sheriff's Department. Fire protection is provided by the Greenfield Volunteer Fire Department. The community is comprised of farmers, retirees, self-employed persons, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the South Greenfield community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the South Greenfield post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 7-9.

The Postal Service argues that it is helping to preserve the community's identity by continuing to use the community name and ZIP Code and its belief that carrier service is expected to be able to handle any future needs for postal services in the community. Final Determination at 8; Postal Service Comments at 9.

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<sup>11</sup> The Community Survey incorrectly listed South Greenfield as an unincorporated community. Administrative Record, Item No. 16. That error was corrected in the Final Determination and noted in the Postal Service Comments. Final Determination at 7; Postal Service Comments at 9.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the South Greenfield postmaster resigned on October 10, 2008 and that an OIC has operated the South Greenfield post office since then. Final Determination at 2, 9; Postal Service Comments at 11. It asserts that after the Final Determination is implemented, the temporary OIC may be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the South Greenfield post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to South Greenfield customers. Postal Service Comments at 5. It asserts that customers of the closed South Greenfield post office may obtain retail services at the Lockwood post office located 7 miles away. Final Determination at 2. Delivery service will be provided by rural carrier route service through the Lockwood post office. The South Greenfield post office box customers may obtain Post Office Box service at the Lockwood post office, which has 141 boxes available. South Greenfield post office customers may also obtain retail services or Post Office Box service at the Greenfield post office which is located 3 miles away and has 87 post office boxes available. *Id.*

For customers choosing not to travel to the Lockwood post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 6-7. The Postal Service adds that it is not typically necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.* at 7.

Petitioner argues that it would be difficult for elderly residents to travel to the other post offices. Petition at 1; Participant Statement at 1. The Postal Service

contends that carrier service is beneficial to senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes, eliminating the need to travel to a post office. Postal Service Comments at 7. The Postal Service also states that many services are available on the internet and stamps can be purchased by telephone or by mail. *Id.* at 7-8.

Petitioner asserts that it would be more efficient to have delivery service originate from the Greenfield post office rather than the Lockwood post office. Petition at 1. The Postal Service contends that the delivery route has been carefully planned to ensure that the most cost-efficient service is provided. Postal Service Comments at 6. Petitioner is also concerned about the cost of constructing rural mailboxes. Petition at 1. The Postal Service notes that customers have the option of receiving Post Office Box service from the administrative post office, from the Greenfield post office, or any other convenient post office location. *Id.* at 8.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$15,486. Final Determination at 9. It derives this figure by summing the following costs: postmaster salary and benefits (\$19,227) and annual lease costs (\$3,720), minus the cost of replacement service (\$7,461). *Id.*

The Public Representative challenges the economic savings, which are based on the salary of the postmaster who resigned on October 10, 2008. PR Comments at 4-5.

The South Greenfield post office postmaster resigned on October 10, 2008. Final Determination at 2, 9. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the South Greenfield post office has been staffed by an OIC for approximately 3 years,

even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

## VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the South Greenfield post office is affirmed.<sup>12</sup>

*It is ordered:*

The Postal Service's determination to close the South Greenfield, Missouri post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

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<sup>12</sup> See footnote 3, *supra*.

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the South Greenfield post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster resigned on October 10, 2008. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

A non-career OIC has been in place for more than 3 years. Given this extended period of time, and the Postal Service's current financial difficulties, it is clear that the Postal Service has no obligation to maintain a full-time postmaster in small facilities such as South Greenfield. Upon closure of the facility, the Postal Service may, at most, avoid continuing to pay the OIC level salary.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of South Greenfield, Missouri and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility for almost 4 years, since October 2008, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis.

In addition, the current lease does not terminate until October 31, 2016, and does not have a 30-day termination clause. Administrative Record, Item No. 15 at 1. The Postal Service should note that any savings from the lease will not be realized for 4 years. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

As I previously stated in Docket No. A2012-75, in reviewing the economic savings of a post office under consideration for discontinuance, the Postal Service should include income derived from postage and service sales generated at the post office, and not assume that it will be retained by the receiving post office. The assumption is not supported and may not be well-founded.

While the replacement service may be presumed to be adequate, closing the South Greenfield post office represents a diminution in service to some degree. As a result, some customers may seek alternatives such as electronic bill paying and banking. Thus, assuming that all income will be retained may be unrealistic. Failing to consider the income effect of a decision to close a post office may distort estimated net savings. Thus, in reviewing post offices for possible discontinuance, the Postal Service should more closely consider the income effect of such decisions.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the South Greenfield post office and should be remanded.

Nanci E. Langley